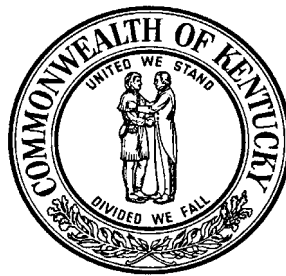


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
BATH COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



**CRIT LUALLEN
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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Robbie Rudolph, Secretary
Finance and Administration Cabinet
The Honorable Paul Goodpaster
Bath County Property Valuation Administrator
Owingsville, Kentucky 40360

We have performed the procedures enumerated below, which were agreed to by the Bath County Property Valuation Administrator, (PVA) solely to assist you with the accountability for statutory contribution, receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Bath County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Finding -

The PVA has a receipts ledger, a disbursements ledger and reconciles bank records to books each month.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

The PVA does not collect from the City of Owingsville since both parties agreed it was not financially cost-effective for the city.

PVA's Response -

PVA office also assists City of Sharpsburg with tax roll, but waives the \$250 fee.



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(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The Fiscal Court budgeted the appropriate statutory contribution, however none of it was paid until May 2005. The Fiscal Court should be paying at least quarterly. The PVA deposited the fiscal court payment to the local bank account as soon as it was received.

PVA's Response -

PVA agrees that quarterly payments would be helpful in maintaining oversight of budgetary funds.

4. Procedure -

Select a sample of disbursements from available PVA's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditures are for official business.

Finding -

Selected disbursements were agreed to cancelled checks and paid invoices. All of the expenditures were for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding -

Capital outlay disbursements agreed to cancelled checks, supporting documentation and proper purchase procedures were used. Location of newly acquired assets was verified.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

There is a professional service contract for computer software maintenance. It is an annual payment. Services received were appropriate, for official business and properly authorized.

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(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
August 31, 2005